

### **REMARKS/ARGUMENTS**

This Amendment is responsive to the Office Action mailed on March 31, 2008. Attached is a petition for a one-month extension of time.

In this Amendment, Claims 7 and 16 are amended; Claims 19 and 20 are added; leaving Claims 1-20 pending and subject to examination. In order to advance prosecution of this Application, Applicants respond to each notation by the Examiner, and respectfully request reconsideration and favorable action in this case.

#### **I. Examiner Interview**

Applicants thank Examiner Lastra for the telephonic interview granted on July 10, 2008. Pursuant to M.P.E.P. §713.04, Applicants respectfully submit an Applicants' Summary of Interview as follows. During the interview, Claims 1-18 were discussed.

#### **II. Rejections under 35 U.S.C. §112, second paragraph**

Claims 7 and 16 are rejected under 35 U.S.C. §112, second paragraph as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. *Office Action, page 2, paragraph 3. Specifically, the Office Action indicates that the limitation "wherein the combination reward is the ability to access the combination reward or another reward at an earlier date...is indefinite* because it seems to say that a reward can be redeemed prior to the date said reward was offered, which is impossible." *Id.* To expedite prosecution of the Application, Claims 7 and 16 are amended to more particularly point out certain features to recite "wherein the combination reward is the ability to access the combination reward or another reward at an earlier date than dates associated with the first and second rewards." Accordingly, Applicants respectfully request withdrawal of the rejections under 35 U.S.C. §112, second paragraph.

#### **III. Rejections under 35 U.S.C. §102(e) – Vulkan**

Claims 1, 8, 9, 10, 17, and 18 are rejected under 35 U.S.C. §102(e) as being anticipated by U.S. Patent Application 2003/0212626 to Vulkan ("*Vulkan*"). Applicants traverse these rejections for the reasons discussed below.

**A. Independent Claim 1 is patentable because *Vulkan* fails to teach or suggest each and every limitation of independent Claim 1**

Independent Claim 1 is patentable because *Vulkan* fails to teach or suggest each and every limitation of independent Claim 1. To anticipate a claim, each and every element must be expressly or inherently described in the prior art reference being cited. *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). MPEP § 2131.

For example, *Vulkan* fails to teach or suggest the following elements specifically recited in Claim 1:

- (a) receiving information about a first pre-existing reward program for a first product, wherein the first reward program provides for a first reward;
  - (b) receiving information about a second pre-existing reward program for a second product, wherein the second reward program provides a second reward; and
  - (c) providing for a combination reward program that provides a combination reward that is based on at least the purchase of the first product and the second product, and wherein the combination reward is greater than each of the first reward and the second reward.
- 1) *Vulkan fails to teach or suggest "receiving information about a first pre-existing reward program for a first product, wherein the first reward program provides for a first reward," "receiving information about a second pre-existing reward program for a second product, wherein the second reward program provides a second reward," as recited in Claim 1*

The Office Action cites paragraph [0017] of *Vulkan* as teaching the limitations of subparagraphs (a), (b) and (c) of Claim 1. *Office Action*, page 3, paragraph 1. In its entirety, paragraph [0017] of *Vulkan* states:

- (b) a list of generic cross-promotions (from now on GCP), representing various cross-promotion templates (for example 'Buy 1 Get 1 Free', or 'Buy 1 Get 1 at ½ Price', or 'Buy A & B and Pay X' and so on)<sup>1</sup>

<sup>1</sup> subsection (a) is numbered as paragraph [0016]

*Vulkan*, paragraph [0017]. The Office Action appears to be relying on a cross-promotion to teach the combination reward program and the discount offered under the cross-promotion to teach the combination reward.

*Vulkan* discloses a "method and apparatus for creating virtual package deals using an electronic communication network." *Vulkan*, paragraph [0002]. *Vulkan* discloses that a package deal or cross-promotion is the joint sale of two or more goods/services based on pre-specified conditions such as a price:

A package deal or cross-promotion is the act of creating a joint sale of two or more goods and/or services under pre-specified conditions. For example, "buy this shirt and these pair of trousers for \$X" or "buy this shirt and get these trousers half price" and so on. One of these goods may comprise of a discount voucher, entitling its owner for a fixed discount on a range of pre-specified goods or services. A virtual package deal is the act of creating a display of a package deal on an electronic communication network, like the Internet. That is, the package does not need to be physically created (e.g. jointly packaged). In fact, the items can be stored in different places and only matched when delivered to the paying consumer. Furthermore, the price--and more generally the conditions of joint sale--of a virtual package deal can be changed in real-time in response to changes in demand (e.g. the price can be increased if demand is higher than a previously specified number).

*Vulkan*, paragraph [0004]. *Vulkan* discloses that by creating cross promotions or package deals, participating sellers offer a single price package rather than have prices for each individual item:

[0010] More specifically, using the invention sellers can create package deals to achieve the following three goals: First, it allows sellers to price packages (i.e. to bundle price) rather than individual items, hence allowing wider range of pricing strategies. Second, to increase the likelihood of buyers purchasing on impulse (i.e. buying goods or services other than those originally sought after). Finally, it allows sellers to add value to buyers. Value is added either by increasing the likelihood per-buyer of him or her purchasing the package compared to the likelihood of purchasing each of the parts of the package separately, or by increasing the 'basket size' per consumer (in expected terms).

*Vulkan*, paragraph [0010]. That is, there is one price being offered by participating sellers under cross promotions, a price package. In the *Vulkan* system, each potential partner (seller) proposes bids for cross promotions to other potential partners (seller).

[0093] 1. The system informs all parties (including O) of the multiplicity of potential partners for cross promotion.

[0094] 2. All interested organisations submit bids specifying the details of the proposed cross promotion, for example the proportion of the cross promotion price that they are willing to give to O for each sale of X.

[0095] 3. O can either select one of these bids--in which case it becomes legally binding for both parties, or reject all bids and not cross promote.

*Vulkan*, paragraphs [0093]-[0095]. The bids indicate the proportion of the cross promotion price that they would give the other seller for each sale of X. *Id.*

*Vulkan* does not disclose a system that receives information about a first pre-existing promotion and a second pre-existing promotion. *Vulkan* discloses selecting a cross promotion from a series of bids for cross promotions offered by sellers. The bids themselves are not existing or pre-existing promotions, they are merely bids for a potential cross promotion.

For these reasons, *Vulkan* fails to disclose or teach "receiving information about a first pre-existing reward program for a first product, wherein the first reward program provides for a first reward," and "receiving information about a second pre-existing reward program for a second product, wherein the second reward program provides a second reward," as recited in independent Claim 1.

2. *Vulkan fails to teach or suggest "providing for a combination reward program that provides a combination reward that is based on at least the purchase of the first product and the second product, and wherein the combination reward is greater than each of the first reward and the second reward," "wherein the first reward program provides for a first reward," and "wherein the second reward program provides a second reward," as recited in Claim 1.*

As discussed above, the Office Action appears to be relying on the discounts offered under cross promotions to teach the combination reward.

*Vulkan* discloses that cross promotions are two or more goods/services based on pre-specified conditions such as a price. See *Vulkan*, paragraph [0004]. "For example, 'buy this shirt and these pair of trousers for \$X' or 'buy this shirt and get these pair of trousers half price'" *Vulkan*, paragraph [0004]. *Vulkan* discloses that sellers may be able to sell slow moving products at higher prices than the normal mark-downs:

[0038] Suppose, for example that the retailer has a large quantity of surplus or slow moving shirts that would normally attract significant mark-downs, resulting in net margins at or close to zero. In this example the retailer may get a maximum of \$4-per-shirt (list price say \$10) on clearance. Using the invention the retailer can sell the product for a *higher price*, while offering consumers what they perceived to be better value. For example, a virtual deal selling the shirts and a certain branded shoes which targets the same customers. The packaged shirt-and-shoes can be priced competitively, for example at \$7 more than the price of the shoes. This package is presented to consumers in the "special Internet deals", or "special offers" section of the user's main Web menu. The retailer can send a message to its own customer base through an individually customisable interface (it is also possible to set-up the system so that is done automatically for slow moving stocks). At absolutely no costs the retailer has created a new marketing channel for selling its branded shoes, while at the same time selling at a profit its slow moving shirts. Furthermore, the technology allows for on-line updating of the special deals, for example in response to changes in demand. This can happen automatically at no further costs to the seller.

*Vulkan*, paragraph [0038]. The seller of slow moving shirts can sell the shirts in cross promotion with shoes for a higher price (\$7 per shirt) than the shirts would have sold on clearance (\$4 per shirt). See *Id.* That is, the shirts are at less of a discount under the cross promotion.

*Vulkan* does not indicate that the cross promotions provide a reward *greater* than the first and second rewards. Indeed, *Vulkan* indicates that sellers could get higher profits under cross promotions by selling their products at a higher price. See *Vulkan*, paragraph [0038].

For these reasons, *Vulkan* fails to teach or suggest "providing for a combination reward program that provides a combination reward that is based on at least the purchase of the first product and the second product, and wherein the combination reward is greater than each of

the first reward and the second reward," "wherein the first reward program provides for a first reward," and "wherein the second reward program provides a second reward," as recited in Claim 1.

Therefore, *Vulkan* fails to teach or suggest each and every element of independent Claim 1. Thus, independent Claim 1 and its dependent Claims 8 and 9 are allowable.

**B. Independent Claim 10 is patentable because *Vulkan* fails to teach or suggest each and every limitation of independent Claim 10**

Claim 10 recites certain limitations substantially similar to those recited in independent Claim 1. Accordingly, Claim 10 and its dependent Claims 17 and 18 are allowable.

**IV. Rejections under 35 U.S.C. §103(a)**

Claims 2-7 and 11-16 are rejected under 35 U.S.C. 103(a) as being unpatentable over *Vulkan* in view of Official Notice. Applicants traverse the rejections for the reasons discussed below.

**A. Claims 2 and 11**

Applicants' dependent Claims 2 and 11 are allowable based on their dependence on the independent claims and further because they recite numerous additional patentable distinctions over *Vulkan*. For example, Claims 2 and 11 recite "reducing or eliminating the combination reward, if a third product is purchased."

Further, Applicants submit that obviousness has not been established for these dependent claims, since there is no rational underpinning to support the legal conclusion of obviousness. As explained in the PTO's own guidelines on *KSR International Co. v. Teleflex Inc.*, 82 USPQ2d 1385 (2007).

*The key to supporting any rejection 35 U.S.C. 103 is the clear articulation of the reason(s) why the claimed invention would have been obvious. The Supreme Court in KSR noted that the analysis supporting a rejection under 35 U.S.C. 103 should be made explicit. The Court quoting In re Kahn<sup>2</sup> stated that "[R]ejections on obviousness cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with*

<sup>2</sup>In re Kahn, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (CA Fed. 2006)

some rational underpinning to support the legal conclusion of obviousness.””

The Office Action acknowledges that *Vulkan* "does not expressly teach: (d) reducing or eliminating the combination reward, if a third product is purchased." *Office Action*, page 4, paragraph 3. The Office Action takes Official Notice "that it is old and well known in the promotion art that the goal of a retailer when offering a reward to a customer is to provide said customer an incentive to purchase a product." *Office Action*, page 4, paragraph 4. The Office Action alleges that "it would have been obvious to a person ordinary skill in the art at the time the application was made, to know that Vulkan would not offer a reward incentive to a customer that wants to purchase a third product, as said customer would not need an incentive to buy." *Id.* The Office Action appears to allege that it would be obvious to a person of ordinary skill in the art to modify *Vulkan* to include eliminating the combination reward if a third product was purchased based on Official Notice.

First, a disincentive to buying a third product because it eliminates a combination reward is not the same thing as providing an incentive to purchasing a product. Further, *Vulkan* does not teach or suggest a system capable of removing cross promotions. Thus, Applicants respectfully submit that the rationale for obviousness provided in the Office Action with conclusory and does not provide a rational underpinning to support the legal conclusion of obviousness. Accordingly, Claims 2 and 11 are allowable.

**B. Claims 6 and 15**

Applicants' dependent Claims 6 and 15 are allowable based on their dependence on the independent claims and further because they recite numerous additional patentable distinctions over *Vulkan*. For example, Claims 6 and 15 recite "the combination reward is an extension of time to receive at least one of the first reward and second reward."

Further, Applicants challenge the taking of Official Notice. MPEP 2144.03 states:

Official notice without documentary evidence to support an examiner's conclusion is permissible only in some circumstances. While "official notice" may be relied on, these circumstances

should be rare when an application is under final rejection or action under 37 CFR 1.113. Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known.

The Office Action acknowledges that *Vulkan* "does not expressly teach: wherein the combination reward is the ability to access the combination award or another reward at an earlier date. *Office Action*, page 6, paragraph 1. The Office Action takes Official Notice "that it is old and well known in the promotion art to offer rewards such as coupons that extends the time for retaining said rewards." *Id.* "Therefore, it would have been obvious to a person ordinary skill in the art at the time the application is made, to know that Vulkan would offer coupon rewards that would extend the time for retaining promotions, as it is old and well-known to do so." *Id.*

Pursuant to MPEP 2144.03, Applicants challenge the Examiner's taking of Official Notice in each and every instance that this is done in this Office Action and in future Office Actions. Applicants respectfully submits that a combination reward that is an extension of time to receive at least one of the first reward and the second reward is not common knowledge and certainly is not instantly and unquestionably demonstrable as being well-known. MPEP 2144.03.

Applicants request that the Examiner find a prior art reference to support any allegations that the feature of "wherein the combination reward is an extension of time to receive at least one of the first reward and the second reward." If such feature is in fact "well known" in the art, then it should not be too burdensome for the Examiner to find and cite such references. Even if the Examiner can find a reference teaching these features, the reference may not be combinable with the other cited reference or may teach away from the combination. Thus, Applicants cannot determine if the Examiner has satisfied his burden of establishing obviousness, unless prior art is cited to meet the claim limitations.

Accordingly, Claims 6 and 15 are allowable.



**C. Claims 7 and 16**

Claims 3-5, 7 12-14, and 16 are allowable based on their dependence on the independent claims and further because they recite numerous additional patentable distinctions over *Vulkan*. For example, Claims 7 and 16 recite "wherein the combination reward is the ability to access the combination reward or another reward at an earlier date than dates associated with the first and second rewards." Accordingly, Claims 7 and 16 are allowable.

**V. New Claims 19 ad 20**

Although the Examiner has not had the opportunity to reject Claims 19 and 20, Applicants submit that they are patentable over the cited reference. Applicants respectfully submit that *Vulcan* fails to teach or suggest the features specifically recited in Claims 19 and 20. For example, *Vulcan* fails to disclose, teach, or suggest "wherein the first product is purchased at a first location and the second product is purchased at a second location," as recited in Claims 19 and 20. Accordingly, Claims 19 and 20 are patentable over *Vulcan*.

**CONCLUSION**

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Sheila P. Martinez-Lemke', written over the typed name.

Sheila P. Martinez-Lemke  
Reg. No. 52,004

TOWNSEND and TOWNSEND and CREW LLP  
Two Embarcadero Center, Eighth Floor  
San Francisco, California 94111-3834  
Tel: 415-576-0200  
Fax: 415-576-0300  
Attachments  
SML:rgy  
61430264 v1